JOINT COMMITTEE ON TAXATION March 20, 2010 JCX-17-10

ESTIMATED REVENUE EFFECTS OF THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 4872, THE "RECONCILIATION ACT OF 2010," AS AMENDED, IN COMBINATION WITH THE REVENUE EFFECTS OF H.R. 3590, THE "PATIENT PROTECTION AND AFFORDABLE CARE ACT ('PPACA')," AS PASSED BY THE SENATE, AND SCHEDULED FOR CONSIDERATION BY THE HOUSE COMMITTEE ON RULES ON MARCH 20, 2010

Fiscal Years 2010 - 2019

[Billions of Dollars]

Provision	Effective	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-14	2010-19	
I. Revenue Provisions														
1. 40% excise tax on health coverage in excess of														
\$10,200/\$27,500 (subject to adjustment for														
unexpected increase in medical costs prior to effective date) and increased thresholds of														
\$1,650/\$3,450 for over age 55 retirees or certain														
high-risk professions, both indexed for inflation by														
CPI-U plus 1%; adjustment based on age and														
gender profile of employees; vision and dental														
excluded from excise tax; levied at insurer level;														
employer aggregates and issues information return														
for insurers indicating amount subject to the excise														
tax; nondeductible [1]	tyba 12/31/17									12.2	19.8		32.0	
2. Employer W-2 reporting of value of health	(1 10/21/10							D D(
 S. Conform the definition of medical expenses for 	tyba 12/31/10						Negligible	Revenue Ef	fect					
health savings accounts, Archer MSAs, health														
flexible spending arrangements, and health														
reimbursement arrangements to the definition of														
the itemized deduction for medical expenses														
(excluding over-the-counter medicines prescribed														
by a physician) [1]	tyba 12/31/10		0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	2.1	5.0	
4. Increase in additional tax on distributions from														
HSAs and Archer MSAs not used for qualified	1 10/01/10		6.0		0.1		0.4	0.0		0.0		0.0		
medical expenses to 20%	dma 12/31/10		[4]	[4]	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.3	1.4	
 Limit health flexible spending arrangements in cafeteria plans to \$2,500; indexed to CPI-U 														
after 2013 [1] [5]	tyba 12/31/12				1.5	2.1	2.1	2.0	1.9	1.7	1.7	3.6	13.0	
6. Require information reporting on payments to	iyoa 12/51/12				1.5	2.1	2.1	2.0	1.7	1.7	1.7	5.0	15.0	
corporations	pma 12/31/11			0.4	3.3	2.0	2.1	2.2	2.3	2.4	2.5	5.6	17.1	

Page	2
------	---

Provision	Effective	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-14	2010-19
7. Additional requirements for section 501(c)(3)													
hospitals	tyba DOE					N	legligible K	evenue Eff	ect				
 Impose annual fee on manufacturers and importers of branded drugs (\$2.5 billion for 2011, \$2.8 billion per year for 2012 and 2013, \$3.0 billion per year for 2014 through 2016, \$4.0 billion for 2017, 													
\$4.1 billion for 2018, and \$2.8 billion for 2019 and	1 10/01/10			•	•	•	•	• •		1.0	•	10.0	25.0
thereafter)	cyba 12/31/10		2.2	2.9	2.9	2.9	2.9	2.9	3.4	4.0	2.9	10.9	27.0
9. Impose 2.3% excise tax on manufacturers and	10/21/10				1.0	27	2.0	2.0	2.1	2.2	2.4	1.5	20.0
importers of certain medical devices	sa 12/31/12				1.8	2.7	2.8	3.0	3.1	3.2	3.4	4.5	20.0
10. Impose annual fee on health insurance providers (\$8 billion in 2014, \$11.3 billion in 2015 and 2016, \$13.9 billion in 2017, \$14.3 billion in 2018, and													
indexed to medical cost growth thereafter)	[3]					6.1	9.3	9.5	11.4	11.7	12.1	6.1	60.1
11. Study and report of effect on veterans health care	DOE ···						No Reve	nue Effect					
12. Eliminate deduction for expenses allocable to													
Medicare Part D subsidy	tyba 12/31/12				0.4	0.6	0.6	0.6	0.7	0.7	0.8	1.0	4.5
 Raise 7.5% AGI floor on medical expenses deduction to 10%; AGI floor for individuals age 65 and older (and their spouses) remains at 7.5% 													
through 2016	tyba 12/31/12				0.4	1.5	1.6	1.7	2.5	3.7	3.9	2.0	15.2
 \$500,000 deduction limitation on taxable year remuneration to officers, employees, directors, and service providers of covered health insurance 													
providers	[6]				0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.6
15. Broaden Medicare Hospital Insurance Tax Base for High-Income Taxpayers - additional HI tax of of 0.9% on earned income in excess of \$200,000/\$250,000 (unindexed) [1], and Unearned Income Medicare Contribution on 3.8% on investment income for taxpayers with AGI in													
excess of \$200,000/\$250,000 (unindexed)	tyba 12/31/12			1.3	20.5	16.6	29.3	32.7	34.8	36.6	38.5	38.3	210.2
16. Modification of section 833 treatment of certain	.,						-,						
health organizations	tyba 12/31/09	[4]	0.1	0.1	[4]	[4]	[4]	[4]	[4]	[4]	[4]	0.2	0.4
17. Impose 10% excise tax on indoor tanning services	spo/a 7/1/10	[4]	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.0	2.7
Total of Revenue Provisions		[4]	2.9	5.5	31.9	35.6	51.8	55.8	61.3	77.5	86.9	75.8	409.2
Other Provisions													
1. Provide income exclusion for specified Indian tribe health heapfite	[7]		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[0]	[2]	[2]
tribe health benefits 2. Simple cafeteria plan nondiscrimination safe	[7]		[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
harbor for certain small employers	tyba 12/31/10					λ.	lealiaihle L	ovenue Ff	Port				
3. Qualifying therapeutic discovery project credit	190a 12/51/10					1V	ε ξιιζινιε Ν	с чепие Еђ	cc <i>i</i>				
(sunset 12/31/10)	[8]	-0.4	-0.2	-0.1	-0.1	[2]	[2]					-0.9	-0.9
State student loan repayment programs for certain health professionals	tyba 12/31/08	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-0.1
	-, 54 12,01,00	[-]	[-]	L-J	L-J	[-]	L-1	[-]	L-1	[-]	(-)	[-]	0.1

Page 3	Page	3
--------	------	---

Provision Effec	ctive 201	10	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010-14	2010-19
5. Make the adoption credit refundable; increase													
qualifying expenses threshold, and extend the													
adoption credit through 2011 tyba 12	/31/09 -0	.2	-0.6	-0.5	[4]							-1.2	-1.2
6. Exclusion of unprocessed fuels from the cellulosic biofuel producer credit fsoua 12	0/21/00		6.6	6.5	5.5	3.0	1.5	0.4				21.6	23.6
7. Codify economic substance doctrine and impose			0.0	0.5	5.5	5.0	1.5	0.4				21.0	23.0
penalties for underpayments teia L	DOE 0	.1	0.3	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.6	1.8	4.5
8. Increase by 15.75 percentage points the required			0.0	011	0.0	0.0	010	0.0	0.0	0.0	010	110	
corporate estimated tax payments factor for													
corporations with assets of at least \$1 billion for													
payments due in July, August, and September	_												
2014 DC	DE -					8.8	-8.8					8.8	
Total of Other Provisions	0	.5	6.1	6.4	5.9	12.3	-6.8	0.9	0.6	0.6	0.6	30.1	25.9
NET TOTAL	-0	.5	9.0	11.9	37.9	48.2	45.3	57.1	62.3	78.6	88.2	106.2	437.8
Joint Committee on Taxation													
NOTE: Details may not add to totals due to rounding. The date of enactm	nent is assumed to	be Ma	y 1, 2010).									
Legend for "Effective" column:													
cyba = calendar years beginning after	fsoua =	fuel so	old or use	d after				sp	o/a = servi	ices perform	ned on or a	after	
dma = distributions made after	pma = p	paymen	its made a	after		teia = transactions entered into after							
DOE = date of enactment	sa = sal	es after				tyba = taxable years beginning after							
[1] Estimate includes the following off-budget effects:	<u>201</u>	<u>10</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	2010-14	<u>2010-19</u>
40% excise tax on health coverage										2.8	4.4		7.2
Conform the definition of medical expenses			0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.6	1.4
Limit health flexible spending arrangements					0.4	0.6	0.5	0.5	0.5	0.4	0.4	1.0	3.4
0.9 percentage point increase to hospital insurance tax					0.5	-0.2	-0.1	[2]	[2]	[2]	-0.1	0.2	[4]
[2] Loss of less than \$50 million.													

[3] Effective for calendar years beginning after December 31, 2013; fee is allocated based on market share of net premiums written for any United States health risk for calendar years beginning after December 31, 2012.

[4] Gain of less than \$50 million.

[5] Estimate includes interaction with the high premium excise tax.

[6] Effective for remuneration paid in taxable years beginning after 2012 with respect to services performed after 2009.

[7] Effective for health benefits and coverage provided after the date of enactment.

[8] Effective for amounts paid or incurred after December 31, 2008, in taxable years beginning after December 31, 2008.

[9] Effective for each policy plan year ending after September 30, 2012, but does not apply to policy years ending after September 31, 2019.